

AIA Product Enhancement – April 2024

Overview

Product Enhancement 4 April 2024

AIA regularly reviews its products to ensure that they continue to meet customer needs.

From 4 April 2024, we introduced an enhancement to our AIA Living Critical Conditions and Progressive Care products. This will apply to new policies and increases to sum assured for existing policies, that are underwritten, and issued on or after 4 April 2024. The enhancement also applies to AIA Living trauma policies issued prior to 4 April 2024, for new claim events on or after this date.

The table below summarises the enhancement by product and benefit category. Further details are provided in the Enhancement Summary available on the Adviser Resources Enhancement page.

Trauma Enhancement and Change Summary

	AIA Living Critical Conditions (Personal & Business)	AIA Living Progressive Care (Personal & Business)
Three months stand down period Changed the start date of the three month stand down period from the risk commencement date to the date of receipt of application by AIA along with a valid payment instruction.	✓	✓
New definition - 'Receipt of application'	✓	✓

Adviser FAQs

What date will the enhancement take effect?

- > The enhancement will apply to new policies and increases to sum assured for existing policies, that are underwritten, and issued on or after 4 April 2024. The enhancement also applies to AIA Living trauma policies issued prior to 4 April 2024, for new claim events on or after this date.

Is the updated policy wording available on the AIA website and Adviser Resources?

- > No, the wording has not yet been updated and this may take a few months. However, we wanted our customers to have the benefit of this enhancement immediately.
- > You can view the updated clause in the Enhancement summary.
- > In the event of a claim, our claims team will assess the claim against the wording issued to the customer and this enhancement and apply the terms beneficial to the customer.
- > As the policy wording the customer will receive has not yet been updated, please make them aware of this enhancement.

Will the enhancement be passed back to existing AIA Living customers?

- > Yes, the enhancement will be passed back to existing AIA Living customers if the claimable event occurs on or after the effective date of the enhancement (4 April 2024).

Will the enhancement be passed back to customers holding closed AIA and Sovereign Trauma products?

No, the enhancement will not be passed back to the closed products due to the following reasons:

- > Closed AIA trauma products already apply the stand down period from the receipt of application by AIA.
- > For customers holding closed Sovereign trauma products any request for underwritten increase to sum assured is processed on an AIA Living Trauma policy which means they will be able to benefit from this change.

Why has AIA introduced this change?

- > Certain medical conditions covered by AIA trauma policies are subject to three months stand down period. This means that if one of those medical conditions occur, or if symptoms or signs which lead to one of those conditions occur within the three months stand down period, then no benefit is payable under the policy.
- > Currently the three month stand down period starts from the date of commencement of the policy. We are changing this to apply the stand down period from the date AIA receive the completed application along with a valid payment instruction for underwritten new business and/or underwritten increases to sum assured.
- > This change is beneficial to customers as it provides certainty of stand down period and ensures they are not penalised for delays in policy issuance.

If the customer suffers a medical condition or experiences signs or symptoms of a condition after submitting the application to AIA, do they need to disclose that information and will it affect their application for cover?

- > Yes, customers have a duty to disclose this information to AIA right up to the time their policy is issued. Failure to disclose could mean that their claim may be declined due to non-disclosure, or their policy may be voided from inception.
- > Any new information will be assessed by our underwriters as per our usual underwriting process.

Premiums

Is there any impact on premiums because of this enhancement?

- > No pricing change is planned at this time in relation to this enhancement.

Communications

Will you be communicating with existing customers regarding the enhancement?

- > No, we are not writing to customers regarding this enhancement.
- > Details of the enhancement will be available to customers on the AIA website. As the policy wordings have not yet been updated to reflect this change, please make your customers aware of this enhancement.

What launch materials are being provided for this enhancement?

The following collateral will be created to support the launch:

- FAQs (internal and external)
- Enhancement Summaries
- Claims Guidance Note (Internal)
- Updated Adviser training modules

Will applications in the pipeline have the benefit of this enhancement?

- > Yes, any underwritten new business or underwritten increase to sum assured issued on or after 4 April 2024 will benefit from this enhancement.